

[19 March, 2001]

RAJYA SABHA

Strategic equity sale of BALCO

2408. SHRI DIPANKAR MUKHERJEE: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether shareholders agreements for 51 per cent for strategic equity sale of BALCO mandates any capital investment in the first three years; and

(b) if so, the details of the same?

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) The Share Holders Agreement (SHA) for 51% for strategic equity sale of BALCO does not mandate capital investment in the first three years. However, Ms. Sterlite Industries (India) Ltd., the strategic partner in BALCO has submitted a five year business plan for the company.

(b) The following are salient features of the aforesaid business plan:

(i) The vision will be to make BALCO into an organization that would

- Be a vibrant and efficient producer of Aluminium metal and value added products
- Operate to internationally benchmarked standards, with global economies of scale
- Have empowered employees who have opportunities for career growth.

(ii) In the long run, the Sterlite group intends to undertake the following initiatives:

- Modernise and expand Smelter Plan
- Increase the capacity of the captive power plant
- Explore the techno-economic feasibility of establishing International Size Alumina Plant in proximity of the bauxite mines
- Establish international benchmarks.

(iii) The Sterlite Group will leverage its access to a wide base of funding sources for the growth of the company.